

CASE NAME: HERITAGE CONSOLIDATED, LLC, et al

CONSOLIDATED
CASE NUMBER: 10-36484-HDH-11

UNITED STATES

BANKRUPTCY COURT

NORTHERN

DISTRICT OF TEXAS

DALLAS

DIVISION

FOR POST

CONFIRMATION USE

QUARTERLY OPERATING REPORT

AND

QUARTERLY BANK RECONCILEMENT

In accordance with Title 28, Section 1746, of the United States Code, I declare under penalty of perjury that I have examined the attached Post Confirmation Quarterly Operating Report, and the Post Confirmation Quarterly Bank Reconciliation and, to the best of my knowledge, these documents are true, correct and complete. Declaration of the preparer (other than responsible party), is based on all information of which preparer has any knowledge.

RESPONSIBLE PARTY:

Original Signature of Responsible Party

Printed Name of Responsible Party

Title

Date

J R L
JASON R. SEARCY
LIQUIDATING TRUSTEE
10-13-16

PREPARER:

Original Signature of Preparer

Printed Name of Preparer

Title

Date

POST CONFIRMATION
QUARTERLY BANK RECONCILEMENT

CASE NAME: HERITAGE CONSOLIDATED, LLC, et al

CASE NUMBER: 10-36484-HDH-11

The reorganized debtor must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposits, governmental obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets for each bank reconciliation if necessary.

QUARTER ENDING: September 30, 2016

Bank Reconciliations	Account #1	Account #2	Account #3	
A. Bank <u>CNB</u>	<u>OPERATING</u>	<u>AG Hi 11</u>	<u>Pat Howell</u>	TOTAL
B. Account Number	<u>1201431919</u>	<u>1201431927</u>	<u>1201516671</u>	
C. Purpose (Type)	<u>GENERAL</u>	<u>REVENUES</u>	<u>COMPETITION</u>	
1. Balance Per Bank Statement	<u>1,693,764.81</u>	<u>760,157.09</u>	<u>212,689.23</u>	<u>2,666,611.13</u>
2. Add: Total Deposits Not Credited				+
3. Subtract: Outstanding Checks		<u>447,432.70</u>		<u>447,432.70</u>
4. Other Reconciling Items				
5. Month End Balance Per Books	<u>1,693,764.81</u>	<u>312,724.39</u>	<u>212,689.23</u>	<u>2,219,178.43</u>
6. Number of Last Check Written	<u>1163</u>	<u>1024</u>		
7. Cash: Currency on Hand				+
8. Total Cash - End Of Month	<u>1,693,764.81</u>	<u>312,724.39</u>	<u>212,689.23</u>	<u>2,219,178.43</u>
CASH IN:				
INVESTMENT ACCOUNTS				
Bank, Account Name & Number	Date of Purchase	Type of Instrument	Value	
9.			+	
10.			+	
11.			+	
12.			+	
13. Total Cash Investments			=	
14. TOTAL CASH	LINE 8 - PLUS LINE 13 = LINE 14 ****			<u>2,219,178.43</u>

**** Must tie to Line 4, Quarterly Operating Report

POST CONFIRMATION
QUARTERLY BANK RECONCILEMENT

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QUARTER ENDING: September 30, 2016

Bank Reconciliations	Account #1	Account #2	Account #3	
A. Bank <u>BANCORP</u>	<u>REMEDIAL ENVIRON</u>	<u>SECTION 6 PLUGGING</u>		TOTAL:
B. Account Number	<u>1120769439</u>	<u>1120966245</u>		
C. Purpose (Type)	<u>ENVIRONMENTAL</u>			
1. Balance Per Bank Statement	<u>85,272.28</u>	<u>260,000.00</u>		<u>345,272.28</u>
2. Add: Total Deposits Not Credited				+
3. Subtract: Outstanding Checks				-
4. Other Reconciling Items				
5. Month End Balance Per Books	<u>85,272.28</u>	<u>260,000.00</u>		<u>345,272.28</u>
6. Number of Last Check Written				
7. Cash: Currency on Hand				+
8. Total Cash - End Of Month	<u>85,272.28</u>	<u>260,000.00</u>		<u>345,272.28</u>

CASH IN:
INVESTMENT ACCOUNTS

Bank, Account Name & Number	Date of Purchase	Type of Instrument	Value
9.			+
10.			+
11.			+
12.			+
13. Total Cash-Investments			=

14. TOTAL CASH 345,272.28 LINE 8 - PLUS LINE 13 = LINE 14 ****

**** Must tie to Line 4, Quarterly Operating Report

POST CONFIRMATION
QUARTERLY BANK RECONCILEMENT

CASE NAME: HERITAGE CONSOLIDATED, LLC, et al

CONSOLIDATED CASE NUMBER: 10-36484-HDH-11

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QUARTER ENDING: September 30, 2016

Bank Reconciliations	Account #1	Account #2	Account #3	
A. Bank <u>CNB</u>	<u>NON SECTION 6 GENERAL</u>	<u>NON SECTION 6 SUSPENSE</u>		TOTAL
B. Account Number	<u>1201431935</u>	<u>1201431900</u>		
C. Purpose (Type)	<u>GENERAL</u>	<u>SUSPENSE</u>		
1. Balance Per Bank Statement				
2. Add: Total Deposits Not Credited				+
3. Subtract: Outstanding Checks				-
4. Other Reconciling Items				
5. Month End Balance Per Books				=
6. Number of Last Check Written				
7. Cash: Currency on Hand				+
8. Total Cash - End Of Month				=

CASH IN:
INVESTMENT ACCOUNTS

Bank, Account Name & Number	Date of Purchase	Type of Instrument	Value
9.			+
10.			+
11.			+
12.			+
13. Total Cash Investments			=

14. TOTAL CASH LINE 8 - PLUS LINE 13 = LINE 14 ****

**** Must tie to Line 4, Quarterly Operating Report

POST CONFIRMATION
QUARTERLY OPERATING REPORT

CASE NAME: HERITAGE CONSOLIDATED, LLC, et al

CONSOLIDATED
CASE NUMBER: 10-36484-HDH-11

QUARTER ENDING: September 30, 2016

1. BEGINNING OF QUARTER CASH BALANCE:	4,485,826.18
CASH RECEIPTS:	
CASH RECEIPTS DURING CURRENT QUARTER:	
(a). Cash receipts from business operations	SEE + 136,808.64
(b). Cash receipts from loan proceeds	ATTACHED +
(c). Cash receipts from contributed capital	EX +
(d). Cash receipts from tax refunds	+ 412.26
(e). Cash receipts from other sources	= 137,220.90
2. TOTAL CASH RECEIPTS	
CASH DISBURSEMENTS:	
(A). PAYMENTS MADE UNDER THE PLAN:	
(1). Administrative	SEE +
(2). Secured Creditors	ATTACHED + 2,013,451.28
(3). Priority Creditors	EX +
(4). Unsecured Creditors	+ 45,145.09
(5). Additional Plan Payments	= 2,058,596.37
(B). OTHER PAYMENTS MADE THIS QUARTER:	
(1). General Business	+ 45,145.09
(2). Other Disbursements	+ 45,145.09
3. TOTAL DISBURSEMENTS THIS QUARTER	
4. CASH BALANCE END OF QUARTER	= 2,564,450.71

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Accrual Basis

Heritage Consolidated, LLC
Profit & Loss Detail
July through September 2016

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Ordinary Income/Expense								
Income								
Oil and Gas Revenues								
Deposit	07/11/2016	1748	Tiaton Engineering ...	Deposit		A.P. Hill Proce...	552.12	552.12
Deposit	07/11/2016	1749	Tiaton Engineering ...	Deposit		A.P. Hill Proce...	3,899.46	4,451.58
Deposit	07/11/2016	1750	Tiaton Engineering ...	Deposit		A.P. Hill Proce...	5,831.91	10,283.49
Deposit	07/11/2016	1751	Tiaton Engineering ...	Deposit		A.P. Hill Proce...	5,831.91	16,115.40
Deposit	07/11/2016	1752	Tiaton Engineering ...	Deposit		A.P. Hill Proce...	5,831.91	21,947.31
Deposit	07/11/2016	1757	Tiaton Engineering ...	Deposit		A.P. Hill Proce...	20,428.95	42,376.26
Deposit	07/11/2016	1759	Tiaton Engineering ...	Deposit		A.P. Hill Proce...	552.12	42,928.38
Deposit	08/05/2016	1772	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	605.24	43,533.62
Deposit	08/05/2016	1773	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	4,274.52	47,808.14
Deposit	08/05/2016	1774	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	6,392.86	54,201.00
Deposit	08/05/2016	1775	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	6,392.86	60,593.86
Deposit	08/05/2016	1776	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	6,392.86	66,986.72
Deposit	08/05/2016	1781	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	22,393.91	89,380.63
Deposit	08/05/2016	1783	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	605.24	89,985.87
Deposit	09/09/2016	1796	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	4,253.19	94,841.28
Deposit	09/09/2016	1797	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	6,360.97	101,202.25
Deposit	09/09/2016	1798	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	6,360.97	107,563.22
Deposit	09/09/2016	1799	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	6,360.97	113,924.19
Deposit	09/09/2016	1800	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	22,282.23	136,206.42
Deposit	09/09/2016	1805	Tiaton Operating Co...	Deposit		A.P. Hill Proce...	602.22	136,808.64
Deposit	09/09/2016	1807	Tiaton Operating Co...	Deposit		A.P. Hill Proce...		
Total Oil and Gas Revenues							136,808.64	136,808.64
Total Income							136,808.64	136,808.64
Expense								
Claim Distributions								
3A Secured Clms Allowed								
Check	08/04/2016	1005	Aquila Sedco Drillin...	Order dated 7...		A.P. Hill Proce...	1,053,513.03	1,053,513.03
Check	08/04/2016	1006	Baker Hughes Oilfel...	Order dated 7...		A.P. Hill Proce...	36,647.49	1,090,160.52
Check	08/04/2016	1007	BJ Services Compa...	Order dated 7...		A.P. Hill Proce...	22,506.11	1,112,666.63
Check	08/04/2016	1008	Pathfinder Energy S...	Order dated 7...		A.P. Hill Proce...	224,684.21	1,337,350.84
Check	08/04/2016	1009	Smith International, ...	Order dated 7...		A.P. Hill Proce...	44,461.76	1,381,812.60
Check	08/04/2016	1010	M-I, LLC, d/b/a Swaco	Order dated 7...		A.P. Hill Proce...	145,449.45	1,527,262.05
Check	08/04/2016	1011	Ken-Vac Corporation	Order dated 7...		A.P. Hill Proce...	22,184.16	1,549,446.21
Check	08/04/2016	1012	McGuire Industries, ...	Order dated 7...		A.P. Hill Proce...	12,768.16	1,562,214.37
Check	08/04/2016	1013	ITS Rental and Sale...	Order dated 7...		A.P. Hill Proce...	45,515.61	1,607,729.98
Check	08/04/2016	1014	Weatherford US, LP	Order dated 7...		A.P. Hill Proce...	232,111.81	1,839,841.79
Check	08/04/2016	1015	Nova Mud, Inc.	Order dated 7...		A.P. Hill Proce...	11,868.41	1,851,710.20
Check	08/04/2016	1016	Sierra Engineering	Order dated 7...		A.P. Hill Proce...	11,000.78	1,862,710.98
Check	08/04/2016	1017	Endeavor Energy R...	Order dated 7...		A.P. Hill Proce...	60,709.62	1,923,420.60
Check	08/04/2016	1018	Simons Petroleum, L...	Order dated 7...		A.P. Hill Proce...	27,794.78	1,951,215.38
Check	08/04/2016	1019	O-D Rentals, Inc.	Order dated 7...		A.P. Hill Proce...	17,248.13	1,968,463.51
Check	08/04/2016	1020	Aries Well Service, L...	Order dated 7...		A.P. Hill Proce...	17,239.71	1,985,703.22
Check	08/04/2016	1021	Archer Wireline, LL...	Order dated 7...		A.P. Hill Proce...	3,163.43	1,988,866.65

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Accrual Basis

Heritage Consolidated, LLC
Profit & Loss Detail
July through September 2016

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Check	08/04/2016	1022	Sutiles Logging, Inc.	Order dated 7...		A.P. Hill Proce...	9,492.96	1,998,369.61
Check	08/04/2016	1023	Nave Oil and Gas, L...	Order dated 7...		A.P. Hill Proce...	15,091.67	2,013,451.28
Total 3A Secured Clms Allowed							2,013,451.28	2,013,451.28
Total Claim Distributions							2,013,451.28	2,013,451.28
IRS Taxes & Penalties								
Check	08/22/2016	1162	Internal Revenue Se...	75-2916310 F...		Operating CNB	1,103.03	1,103.03
Total IRS Taxes & Penalties							1,103.03	1,103.03
Professional Fees								
Engineering and Technical Svc								
Check	08/04/2016	1004	Traton Engineering ...	Inv. 13694, 13...		A.P. Hill Proce...	6,330.43	6,330.43
Check	08/04/2016	1031	Traton Engineering ...	Inv 13644		Pat Howell Co...	1,337.13	7,667.56
Check	08/04/2016	1034	Traton Engineering ...	Inv 13698, 13...		Environmental ...	582.66	8,250.22
Check	09/29/2016	1024	Traton Engineering ...	Inv 13733		A.P. Hill Proce...	5,042.50	13,292.72
Total Engineering and Technical Svc							13,292.72	13,292.72
Legal Fees								
Check	07/19/2016	1160	Searcy & Searcy, P.C.	Inv 12962		Operating CNB	14,367.14	14,367.14
Check	09/13/2016	1163	Searcy & Searcy, P.C.	Inv 13119		Operating CNB	16,057.20	30,424.34
Total Legal Fees							30,424.34	30,424.34
Total Professional Fees							43,717.06	43,717.06
UST Quarterly Fees								
Check	07/19/2016	1161	U.S. Trustee	2nd Qtr. 2016		Operating CNB	325.00	325.00
Total UST Quarterly Fees							325.00	325.00
Total Expense							2,058,596.37	2,058,596.37
Net Ordinary Income							-1,921,787.73	-1,921,787.73
Other Income/Expense								
Interest Income								
Deposit	07/31/2016			Interest		A.P. Hill Proce...	188.83	188.83
Deposit	07/31/2016			Interest		Pat Howell Co...	18.12	206.95
Deposit	08/31/2016			Interest		Pat Howell Co...	18.04	224.99
Deposit	08/31/2016			Interest		A.P. Hill Proce...	107.49	332.48

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Accrual Basis

Heritage Consolidated, LLC
Profit & Loss Detail
July through September 2016

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Deposit	09/30/2016			Interest		Pat Howell Co...	17.43	349.91
Deposit	09/30/2016			Interest		A.P. Hill Proce...	62.35	412.26
Total Interest Income							412.26	412.26
Total Other Income							412.26	412.26
Net Other Income							412.26	412.26
Net Income							-1,921,375.47	-1,921,375.47